



Legislative *Perspective*

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2008 Legislative Session Begins With Busy Schedule

The first legislative session to be held in the Capitol Annex promises to be unique and historic in scope, and leadership has set a busy schedule for legislators early in January.

- Thursday and Friday
January 3 and 4: The Economic Outlook and Revenue Projection Committee will meet at 1:00 p.m. Thursday in Room 316, Capitol Annex, then continue meeting all day Friday.
- Friday, January 4: The Change in Employee Compensation (CEC) Committee will meet at the Idaho Supreme Court Building in the basement conference room from 8:30 a.m. to 4:30 p.m.
- Monday, January 7:
- 8:30 a.m. Leadership will be briefed by DFM staff on the Governor's budget recommendation in the Idaho Room of the J.R. Williams Building.
 - 10:00 a.m. The House will hold an organizational meeting in the Capitol Annex.
 - 12:00 p.m. The House and Senate will convene separately in the Capitol Annex, then recess for lunch.
 - 2:00 p.m. Legislators will board buses in front of the Capitol Annex and travel to the BSU Special Events Center in the Student Union Building.
 - 2:30 p.m. Legislators will reconvene jointly in the Special Events Center at the west end of the SUB, and elected officials and the Supreme Court will be seated.
 - 3:00 p.m. Governor Otter will present his State of the State and Budget Address.
 - 4:00 p.m. Chief Justice Daniel Eismann will present his State of the Judiciary Address.
 - 4:30 p.m. The Senate will recess; the House will adjourn. Legislators will board buses and return to the Capitol Annex, and the Senate will officially adjourn.
- Tuesday, January 8: Interim committee chairmen will report on their findings to leadership and the Legislative Council from 1:30 - 4:00 p.m. in Room 316, Capitol Annex.
- Friday, January 11: A drop-in session for legislators on administrative rules will be held from 9:00 to 11:00 a.m. in Room 117, Capitol Annex.

The 2008 Mini Directory will be posted on the Legislature's Web site — legislature.idaho.gov as soon as it is completed, and copies will be distributed to legislators on the first day of the session. The full *Legislative Directory* will be distributed in mid-January.

Staff Contact: Jeff Youtz

General Fund Revenue Outlook

Individual Income Tax to the Rescue

In August, the Division of Financial Management revised the fiscal year 2008 General Fund revenue estimate upward by \$104.4 million from the original projection used to set the FY 2008 budget. Also, revenue collections through November have exceeded the revised estimate by an additional \$33.4 million. As a result, the state is ahead of the original budgeted revenue amount by \$137.8 million. Most of that strength, detailed in the table below, comes from individual income tax collections. It is likely the Legislature will be looking at an unobligated cash balance in excess of \$200 million for FY 2008. There will be many pressures for supplemental appropriations for fire suppression, corrections, water projects, and other one-time spending proposals, but overall the budget scenario is fairly positive.

The Economic Outlook and Revenue Assessment Committee (EORAC), appointed by legislative leadership and made up of six members from the Senate and six members from the House, will convene January 3 and January 4 to take another look at the revenue picture. The committee will hear the testimony of economists and key industry representatives from throughout the state, and will then review the FY 2008 and FY 2009 General Fund revenue projections presented by the Governor. The committee's charge is to make a recommendation to the full Legislature regarding the "reasonableness" of those executive projections for the purposes of setting budgets.

The Economic Outlook and Revenue Assessment Committee will convene Thursday and Friday, January 3 and 4. Check the Legislature's Web site — legislature.idaho.gov for links to the EORAC agenda, as well as to other scheduled legislative meetings.

FY 2008 General Fund Revenue Estimate					
Revenue Source	Original Estimate With Law Changes	Current Estimate (revised in Aug)	Difference	Through November	Difference from Original Estimate
Individual Income Tax	\$1,254,423,100	\$1,392,510,000	\$138,086,900	\$21,819,000	\$159,905,900
Corporate Income Tax	212,823,200	189,080,000	(23,743,200)	(203,400)	(23,946,600)
Sales Tax	1,195,845,000	1,172,240,000	(23,605,000)	7,963,900	(15,641,100)
Product Taxes	26,660,000	26,700,000	40,000	64,500	104,500
Miscellaneous Revenue	111,136,800	124,770,000	13,633,200	3,723,300	17,356,500
TOTAL	\$2,800,888,100	\$2,905,300,000	\$104,411,900	\$33,367,300	\$137,779,200

Staff Contact: Ray Houston

The Capitol Annex is Ready!

The final touches on the Capitol Annex are being made in mid-December to get ready for the 2008 legislative session. Signing and lettering for offices and hearing room doors, and completion of ADA [Americans With Disabilities Act] access are nearing completion. Security and emergency evacuation plans made in cooperation with the Idaho State Police and Department of Administration have been distributed. Enhancements to the capacity to video stream the Legislature on the Internet have been made and are being tested with efforts by the Department of Administration, Idaho Public Television and the Legislative Services Office.

At the direction of the Advisory Committee on Relocation, temporary outdoor restroom facilities are being added on the south side of the building. The office space set up in the basement of the J.R. Williams Building for those legislators who don't have space in the Capitol Annex is also complete. All this work will ensure that the Capitol Annex adequately accommodates Idaho's Legislature for the 2008 and 2009 sessions. The Capitol Restoration Project continues on target too, with a scheduled completion date of November 2009.

Staff Contact: Robyn Davis

The Legislature Improves Public Access

There are many ways to tune into the House, Senate and JFAC proceedings this session. The Legislature has worked to broaden its outreach to the public because of the move to smaller quarters. This also gives Idahoans across the state an opportunity for enhanced accessibility to the Idaho Legislature.

Within the Capitol Annex:

Public Viewing Galleries (when committees are not meeting)

House – Room 148

Senate – Room 117

JFAC – Room 117 or 148

FM radio signal (within the Capitol Annex vicinity only)

House - 89.9 FM

Senate - 101.3 FM

JFAC - 103.9

Across the State:

The Internet - Video and audio streaming on www.idahoptv.org (linked from the Legislature's home page)

Digital Cable TV

House – Channel 65

Senate – Channel 67

JFAC – Channel 69

Staff Contact: Robyn Lockett

In its continuing efforts to improve public access to the legislative process, the Legislature has increased the methods by which legislative proceedings can be followed to include public viewing galleries, FM radio, video streaming over the Internet and digital cable television.

Information Technology Staff Schedules Computer Training

Computer training classes will be offered Monday through Thursday during the first two weeks of the session, at 7 a.m. in the Capitol Annex committee room 228. Due to room scheduling conflicts, no training is scheduled on Fridays or in the afternoons. To reserve a place in a class, please call the Computer Help Desk: 334-4747. If reservations do not fill classes, available seats will be filled on a first-come, first-served basis.

New classes this year include training on using the new telephones and the online legislative encyclopedia on Tuesday, January 15; Blackberry & PDA Connection Options on Wednesday, January 16; and a preview of Vista on Thursday, January 17.

Please bring your laptop to the training classes. If you aren't able to attend a class you've scheduled, please call the Help Desk and let staff know; that way, someone else might be able to attend the training. Additional classes and one-on-one training are always available upon request. Please see schedule below.

Monday, January 7 — Laptop Computer Overview

Tuesday, January 8 — E-mail Techniques

Wednesday, January 9 — Connecting to Other Networks

Thursday, January 10 — Personalized Bill Tracker

Monday, January 14 — New Web Tools

Tuesday, January 15 — Phones and Legipedia

Wednesday, January 16 — Blackberry & PDA Connection Options

Thursday, January 17 — VISTA View

Staff Contact: Glenn Harris

Interim Committee Activities

Teachers' Salaries

The first meeting of the Teachers' Salaries Task Force was held in Boise on September 10. Jason Hancock, Deputy Chief of Staff, Department of Education, explained Idaho's current system for funding and paying public school teachers. He emphasized that what teachers are actually paid in salary and other compensation is determined at the local level. Superintendent of Public Instruction Tom Luna offered a sample budget showing what a \$50 million increase in the public school support program would look like should the state create and support an alternative pay schedule for teachers based on pay for performance. Representative Scott Bedke described House Bill 294, 2007, which was presented to address discontent with the current system and to stimulate discussion leading to an alternative salary track.

Reed DeMordaunt, chairman of the State Board of Education's committee on performance-based compensation, reviewed several alternative programs that have been implemented in other regions of the country. Jim Shackelford and Sherri Wood, Idaho Education Association, described the findings of a task force formed by the IEA to study what changes to the current pay system would result in improved student performance. They presented a framework the state could establish comprised of three tiers: career foundation pay, enhanced by knowledge and skills-based pay, to which could be added group-based performance awards.

The task force met again on October 15. Members heard testimony from Reed DeMordaunt, Chair of the State Board of Education's "Performance-Based Compensation Committee," Wendy Horman, Bonneville School District Trustee on the value of teacher evaluations, Dr. Linda Clark, Meridian School District, and Brian Jullian, an attorney who represents school boards with dismissal and discipline matters.

Superintendent of Public Instruction Tom Luna presented his proposed Idaho State Teacher Advancement and Recognition System plan. He said he had solicited ideas from the Idaho Association of School Administrators, the Idaho School Boards Association, the Parent-Teacher Association, the Idaho Education Association, the rural Education Initiative, business groups and key legislators. Under this plan, existing "steps and lanes" pay system would remain in place for all teachers in Idaho. The current foundation pay system rewards years of experience and education credits. The plan would give pay increases to teachers who help improve student performance. The task force recommended that Superintendent Luna continue to work on his proposal and present it to the Legislature for consideration in 2008.

Staff Contact: Maureen Ingram

Health Care Task Force

The Health Care Task Force met on December 13, 2007 and heard reports regarding health expenditure trends and cost drivers. In February 2006, the task force had recommended that the state undertake a study to identify ways to expand access to health care for the uninsured. As a result of that recommendation and via a request from the Joint Legislative Oversight Committee, the Office of Performance Evaluations contracted with Mathematica Policy Research, Inc., and the State Health Access Data Assistance Center at the University of Minnesota to prepare the reports. These reports were presented to the task force at its December 13 meeting and generated

Membership of interim committees, meeting minutes and the calendar of scheduled meetings are all available on the Legislature's web site:

[Interim Committees and Minutes](#)

[Legislative Calendar](#)

much interest and discussion. The task force also heard a follow-up report from representatives from the Department of Health and Welfare and the Idaho Office on Drug Policy regarding Medicaid coverage for substance abuse treatment, as well as a follow-up report on the state's mental health services for children.

Two subcommittees of the task force also met. The Subcommittee on Mental Health met on December 11 and approved draft legislation that revises the state's involuntary commitment laws. The draft legislation will be presented to the Health Care Task Force at its next meeting, which likely will be held early in the 2008 legislative session. The subcommittee also heard an update on an ongoing review of the state's mental health and substance abuse treatment delivery systems. The review was authorized by the 2007 Legislature in Senate Concurrent Resolution 108. The report is tentatively scheduled for completion in the summer of 2008. The subcommittee also heard grant proposals from three entities for regional community grants. The Department of Health and Welfare briefed the subcommittee on the Assertive Community Treatment (ACT) teams.

Finally, the Subcommittee on Health Insurance Issues Related to Public Schools met on December 13. The subcommittee engaged in a dialogue with numerous participants regarding health insurance issues facing public school districts, including the impacts of rapidly escalating insurance costs on district operations, teachers and staff. The subcommittee co-chairmen requested that participants bring ideas to the next meeting concerning how this issue might best be addressed. The subcommittee will likely meet again early in the 2008 legislative session.

Staff Contact: Eric Milstead

The Health Care Task Force reviewed studies concerning ways to expand access to health care for the uninsured, Medicaid coverage for substance abuse treatment, and the state's mental health services for children.

Joint Interim Land-Use Study Group

The Joint Interim Land-Use Study Group, co-chaired by Senator Russ Fulcher and Representative Clifford Bayer, held its fifth meeting on December 20, 2007, in the Capitol Annex. The study group is composed of Senators Russ Fulcher, Stan Bastian, Shirley McKague, Lee Heinrich and Jim Hammond; Representatives Cliff Bayer, Phil Hart, Lynn Luker, Fred Wood, Les Bock and Bill Killen; and ad hoc members Dan Chadwick of the Idaho Association of Counties, Ken Harward of the Association of Idaho Cities, John Eaton of the Idaho Association of Realtors, Jeremy Pisca of the Idaho Building Contractor's Association and Anna Borchers-Canning of the Meridian Planning and Zoning Department. The purpose of the meeting was to discuss proposed changes to Idaho annexation and urban development laws and to determine which might be recommended to the second session of the 59th Idaho Legislature.

The study group adopted the following legislative recommendations:

- ▶ Expressly permit annexations outside the area of impact upon the consent of the property owner(s) affected, provided that the city has established a comprehensive plan for the area to be annexed.
- ▶ Require that any municipality that annexes property must, as part of the annexation plan, specify the services to be provided and a time frame in which those services are to be provided.
- ▶ Provide that the act of connecting to city sewer or water services does NOT imply consent to annexation for pre-existing property owners, until a change in ownership occurs.

- ▶ Provide potential home buyers better notification that property within areas of impact may be subject to annexation.
- ▶ Recommend that a study group be established to investigate the efficacy of area of impact and comprehensive plan statutes.
- ▶ Encourage the 2008 Idaho Legislature to make appropriate changes to the Idaho Urban Renewal/Economic Development law to exempt funds from a voter-approved bond issue or special levy from the tax available to an Urban Renewal District, and to continue the Joint Interim Land-Use Study Group during the 2008 interim, so it may make further recommendations for refinements to the Urban Renewal/Economic Development law, providing appropriate and specific guidance in that law.
- ▶ Provide that Urban Renewal District boundaries be limited to include only areas of similar character and that “shoestring” boundary configurations NOT be allowed.

Staff Contact: Paige Alan Parker

Senate Treasure Valley Transportation Issues Task Force

The task force held its third and final meeting at Nampa City Hall on December 4, 2007. Sujit CanagaRetna, Senior Fiscal Analyst with the Southern Office of the Council of State Governments, Atlanta, Georgia, presented information on the trend to transportation-driven public/private partnerships referred to as P3s as a means of financing transportation projects. His presentation was divided into four parts: an overview of national and state finances and the impetus for this growing trend; identification of both the advantages and disadvantages associated with P3s; illustrations of several best practices recommended by states that have developed effective P3 strategies; and a description of the various forms P3 strategies can take. States with experience advise that an emphasis on transparency, business considerations, staffing and customer satisfaction are important factors to help mitigate the potential adverse effects of P3s.

James Whitty, Manager of the Office of Innovative Partnerships and Alternative Funding, Oregon Department of Transportation, explained the pilot program conducted in Oregon “to develop a design for revenue collection for Oregon’s roads and highways that will replace the current system for revenue collection.” Instead of paying a gas tax on the number of gallons purchased, the user pays a mileage fee based on the number of miles driven in-state. Mr. Whitty described the final results, pointed out the areas that need more work, the lessons learned, and the key steps needed to implement a mileage fee. Obtaining public acceptance is a major challenge.

Task force members discussed issues for inclusion in their final report, which will be submitted to the Senate Transportation Committee and House Transportation and Defense Committee during the first week of the 2008 legislative session.

Staff Contact: Maureen Ingram

Joint Millennium Fund Committee

The Joint Millennium Fund Committee met December 19, 2007 in the Capitol Annex to hear presentations from FY 2009 grant applicants. Budget and Policy Analyst Julie Swanson provided an update on the funding criteria, application scoring process, and FY 2008 cash flow data for the traditional Millennium and Permanent Endowment Funds. The amount distributed to the Millennium Income Fund and available for appropriation for FY 2009 is \$4,171,200. The total amount of funding requested by grant applicants is \$6,833,400. The committee also heard a presentation from Liza Carberry with the State Treasurer’s Office on the investment strategy for the Millennium Permanent Endowment Fund. Julie Taylor with the Coalition for a Healthy Idaho made a presentation on a potential model for the grant application review process.

The following grant funding proposals were presented:

- ▶ American Cancer Society, Public Awareness Campaign
Gail Baird & Rick Carpenter, ACS Leadership Council

- ▶ Drug Free Idaho, Youth Prevention Education Classes
Marianne King, Executive Director
- ▶ Idaho Meth Project, Meth Use Prevention and Education
Debbie Field, Idaho Office on Drug Policy, Dr. David McCluskey, and First Lady Lori Otter
- ▶ United Way of Treasure Valley, Region IV Substance Abuse and Mental Health Crisis Center
Bob Banks, United Way Board Member and Ted Burgess, SARMC Addiction and Recovery Center
- ▶ Idaho State University, Assessing the Impact of the Smoking Ban Legislation in Restaurants and Bowling Alleys
Galen Louis, PhD, Master of Public Health Program Director
- ▶ Boise State University, Assessment of the Perceived Impact of a Potential Smoking Ban in Bars
Uwe Reischl, PhD, MD, Professor
- ▶ American Lung Association, Teens Against Tobacco Use (T.A.T.U.) and Not on Tobacco (N-O-T) Programs
David Leroy and Tony Park, Board Members and Kristin Matthews, Executive Director
- ▶ Idaho RADAR Network Center, Tobacco Prevention Project
Georgia Girvan, MHE, Director
- ▶ Idaho Drug Free Youth, i2i Program
Amy Bartoo, Director of Community and Public Relations
- ▶ Public Health Districts, Tobacco Cessation Programs
Jeanne Bock, Director, Panhandle Health District
- ▶ Department of Health and Welfare, Tobacco Cessation, Counter-Marketing, and Local Programs
Jack Miller, Respiratory Health Program Manager
- ▶ Quit and Live, Inc., Tobacco Cessation Program, Idaho Outreach with DVD and Web-based Program
Nancy Caspersen, RN, Tobacco Cessation Specialist
- ▶ Boys and Girls Clubs of Idaho, Positive Action Program
Mitch Minnette, Executive Director, Nampa Boys and Girls Club
- ▶ Tribal Communications, Tribal Relations Capacity Building
Josephine Halfhide, MCJA, MSW, Private Tribal Consultant
- ▶ Boise Development Cycling, Idaho Healthy Teens
Brandon Ackers and Jason Dykstra, Volunteers
- ▶ Easter Seals-Goodwill, Women's Re-entry Initiative
DeLanie Valentine, Corrections Program Manager
- ▶ Centro de Comunidad Y Justicia (CCJ), SWAT Plus Program
Sam Byrd, Executive Director
- ▶ Treasure Valley Family YMCA, School-Age Care Program
Scott Curtis, Executive Director, Caldwell Family YMCA
- ▶ Idaho State Police, Prevention of Minors' Access to Tobacco
Lieutenant Colonel Kevin Johnson, Deputy Director
- ▶ Healthy Families Network, Inc., Family Wellness Classes
Tammy Payne, Executive Director
- ▶ Idaho Supreme Court, Youth Courts and Status Offender Programs
Honorable Judge John Varin and Patti Tobias, Administrative Director of the Courts

The Joint Millennium Fund Committee will meet during the 2008 legislative session (time and date to be determined) to discuss and vote on funding recommendations.

Staff Contact: Julie Swanson

Legislative Audits Division Update

The Legislative Audits Division recently released cyclical evaluations for the Department of Insurance, Military Division, Real Estate Commission, Division of Financial Management, Office of the Lieutenant Governor, Department of Water Resources, and the Liquor Dispensary. In addition, opinion reports were released for the Grape Growers and Wine Producers Commission, the Wheat Commission, and Idaho Public Television.

The Liquor Dispensary report contains two findings. The first finding recommends that the Dispensary evaluate each staff member's access to the agencies new accounting system to properly segregate duties and eliminate potential control weaknesses. The second finding recommends that all time sheets have both the employee and supervisor signatures to ensure that reported time is properly submitted and accurate.

The legislative audit of the FY 2007 Comprehensive Annual Financial Report (CAFR) was completed on December 7, 2007, and the report will be printed and distributed by the State Controller's Office in the coming weeks.

Staff Contact: Don Berg

Proposed Administrative Rules

Education, Board of

08.02.02 Uniformity/Educational Interpreter Training

08.02.02 Rules Governing Uniformity

Health and Welfare, Department of

16.03.09 Medicaid Basic Plan/Family Psychotherapy

16.03.09 Medicaid Basic Plan/Telehealth Technology

16.03.10 Medicaid Enhanced Plan Benefits - HB167 (2007)

16.03.14 Minimum Standards for Hospitals in Idaho

16.04.03 Fees/Community Mental Health Center/Repeal

16.07.01 Behavioral Health Sliding Fee Schedules

16.07.10 Behavioral Health Development Grants

16.07.17 Alcohol & Substance Use Disorders Services

16.07.33 Adult Mental Health Services/New Chapter

Idaho State Police

11.04.03 Licensing & Fees/Racing Commission

Staff Contact: Charmi Arregui

Legislative Perspective

An Internet Newsletter —

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